THE GOLD STANDARD

Mr. BREWSTER. Mr. President, whenever the subject of the gold standard is raised as a topic of conversation, invariably a great deal of misinformation is presented. The Washington Post on Sunday, December 3, 1967, published an article entitled, "It's Just a Lot of Bullion," by Mr. Harvey H. Segal, that clearly sets forth the facts concerning the value of gold and the role played by the International Monetary Fund.

In light of the current discussions about our balance-of-payments deficit and the recent devaluation of the pound sterling, I believe that Senators will find the article most interesting and informative.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IT'S JUST A LOT OF BULLION

(By Harvey H. Segal)

The gold rush—frantic buying of gold in the expectation that its price would rise as the devaluation of the dollar followed that of the pound—has all but subsided on markets all over the world. But the fundamental problems of gold and its relationship to the dollar are unresolved, and they will surface again in the foreseeable future, undermining confidence and subjecting the international monetary system to new shocks.

Modern history records a progressive weakening of the link between gold and money, a part of the general shift from commodities—gold, silver and copper—to more sophisticated forms of representative money such as bank notes and checking account deposits.

Before 1914 there was a close and obvious link, virtually an identity, between gold and money. Gold coins formed an important part of the national money supplies. Bank notes in advanced countries were freely convertible to gold and their issues tended to be limited by the gold reserves held in national treasuries and central banks.

GOLD EXPANDS

Inflows of gold resulting from export surpluses or investment by foreigners permitted an expansion of the money supply with subsequent rises in the levels of employment and prices. Gold losses tended to depress employment and price levels.

Under that classical gold standard, which France's President de Gaulle wants to revive, gold was the principal monetary reserve, the medium for settling debts among nations. And the banks—both central banks and private banks—maintained fixed exchange rates by converting national currencies into gold and gold into national curencies.

Because of inflation and other disturbances that followed in the wake of World War I, most countries in the 1920s began to supplement their gold reserves with holdings of widely acceptable foreign currencies, principally sterling. The practice of holding foreign exchange as reserves gave rise to the "gold exchange standard." Under it the link between the growth of domestic money supplies and gold reserves was greatly loosened. But general convertibility between gold and national currencies was the rule.

The Great Depression sounded the death knell of gold convertibility, at least so far as ordinary citizens were concerned. After 1930, there was a headlong abandonment of domestic convertibility as countries sought to avert the sharp monetary contractions and price deflations that would have followed from maintaining the old parities between gold and and domestic currencies. In some instances, notably in this country, there was severe deflation in spite of the devaluation, that is, the reduction of the gold content of the currency unit and the correlative increase in the price of gold.

During the 1930s, domestic gold stocks were recommended by many national governments and used for official transactions, especially to intervene in the foreign exchange markets through exchange stabilization funds. The object of those operations was to peg or fix exchange rates and by so doing to prevent a country from gaining a competitive edge in international trade by virtue of a fall in the exchange value of its currency.

United States citizens were compelled to surrender all gold coin and bullion in 1933, and under the Gold Reserve Act of 1934, the dollar was officially devaluated. Its gold content was reduced from 25.8 grains of gold (.9 fine) to a little less than 15.3 grains. That action raised the official price—the price at which the Treasury is willing to buy and sell gold—from $20.67 to $35 per troy ounce, where it has remained ever since.

A new stage in the evolution of gold began with the operation of the International Monetary Fund in 1946, a year when the economies of Europe were prostrate as a result of World War II. The architects of the IMF sought to avert the beggar-my-neighbor policies—the restrictions on imports and the competitive devaluations that drastically reduced the volume of international trade in the 1930s. The rules which they laid down and the dominant position of the United States economy in a war-torn world led to the establishment of a dollar-gold exchange standard.

Under the IMF Agreement, member countries, which ultimately included all those outside the Communist bloc except Switzerland, were given two options.

They could undertake, through official intervention in the foreign exchange markets, to maintain the par value of the currency, as expressed in terms of dollars, within margins of plus and minus 1 per cent. Or they could undertake to buy and sell gold freely, conducting the transactions within margins of plus and minus 1 per cent of the gold par value of their currencies. In the case of the United States, that would be between $34.65 and $35.35 an ounce.

The only country which opted to buy and sell gold freely was the United States, and the reason is not hard to uncover. We then held more than 70 per cent of the non-Communist world's stock of monetary gold and the dollar was virtually the only currency that commanded the food and industrial materials needed for economic reconstruction. As a result, the world was placed on a dollar-gold standard. The dollar was pegged to gold and all other currencies were pegged to the dollar.

In the course of the postwar reconstruction, the United States acted as the world's banker. Through the Marshall Plan, the programs to aid underdeveloped countries and through private investment, nearly $200 billion went overseas in the shape of loans, grants and equity purchases. The dollar became the vehicle by which most of the world's international trade was transacted and it also became the most important reserve currency.

Of $71 billion in official monetary reserves—gold, foreign exchange and IMF credit—reported last June, dollars accounted for more than $16.3 billion, or 23 per cent. Sterling, the other reserve currency, comprised less than 9 per cent.

PERSISTENT DEFICITS

Since 1948 the United States has incurred persistent balance-of-payments deficits because it spends, lends, gives away and invests more in foreign countries than it receives from them. Had the foreign recipients of payments from the United States been willing to hold dollars without limit, there would be no gold convertibility problem. But that is hardly the case.

A few years ago the Johnson Administration, in one of those fits of delusion to which public relations men are susceptible, coined the slogan "The dollar is as good as gold!" But foreign central bankers, whose institutions ultimately receive surplus dollars from private banks, don't believe it.

Partly through fear of devaluation, partly through a desire to impose a balance-of-payments discipline on this country and partly for purely political reasons, as in the case of France, other governments have been steadily buying Treasury gold with their dollars.

In 1949, this country's gold stock reached a peak of nearly $24.6 billion. Today, it is down to less than $12.5 billion. And the outstanding liabilities against that reserve, the dollars in the hands of foreign central banks and private businesses, amount to some $31 billion. Western European gold holdings gained at the expense of the United States. In 1958, Western Europe held only $9.2 billion, or less than 24 per cent of the total, but by mid-1967 its holdings had risen to $19.1 billion, more than 47 per cent of the non-Communist world total of $40.5 billion.

Can the dilemma of dollar-gold convertibility be solved without precipitating a great panic? Yes, but it is necessary to separate the spurious solutions from those which are really viable.

If the supply of monetary gold could be greatly expanded and somehow channeled to Ft. Knox, our troubles would be over. But that golden dream will never become a reality. Because of the fixed price and the squeeze on South African mining profits, gold production is growing very slowly. Moreover, private absorption, the large industrial demand and the smaller demands of hoarders has diminished the stock of monetary gold since 1965.

DE GAULLE AND HISTORY

President de Gaulle would solve the problem by doubling the dollar price of gold and reviving the pre-1914 gold standard by eliminating foreign exchange—that is, dollars—as an international monetary reserve.

Domestic money supplies and levels of prices, income and employment would be determined by swings in the balance-of-payments and movements of gold. Few authorities, in France or elsewhere, are willing to set the clock back in that fashion.

Is a solution offered by the plan for creating "paper gold"—Special Drawing Rights—that was just adopted at the Rio de Janeiro meeting of the IMF? The answer is that the SDR scheme, while it would provide for the creation of reserves, affords no specific protection to the United States gold stock. None of the countries which want to exchange dollars for gold would be obliged to accept SDRs.

Assuming that the balance-of-payments deficits continue, the United States—after freeing the $10 billion of gold that is held as a "cover" against Federal Reserve notes—could let the gold stock run out. Indeed, some economists suggest that we announce to the world that once it is gone, we will never agree to buy it back at $35 an ounce.

But taken alone, that might be an empty threat so long as the U.S. balance of payments deficits continue. Moreover, every dollar of gold that the United States loses reduces the world's monetary reserves by a dollar. When the French or the Spanish convert, they substitute gold for dollars in their reserves. But there is no substitution in the case of the United States whose reserves are held in gold.

But suppose that the gold-dollar link were severed? Suppose the United States refused to buy and sell gold freely and opted—as it can under the IMF rules—only to support the dollar in our foreign exchange markets?

Other countries would have to decide whether to peg the dollar rates in their foreign exchange markets or permit them to

fluctuate, either freely or within limits. Then the task of deciding what role gold is to play in the international monetary system could be assigned to the IMF, the only body capable of providing a meaningful solution.

ABM

ABM: THE DYNAMICS OF A NATIONAL DECISION

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD the text of my remarks at New York University on November 6, 1967. I delivered these remarks as the opening lecture of this year's Moskowitz Lecture Series. I consider it both an honor and a pleasure to have been asked to initiate the lecture series this year. Dr. Charles J. Hitch, vice president of the University of California, and Dr. Arthur F. Burns, John Bates Clark, professor of Economics at Columbia University and former Chairman of President Eisenhower's Council of Economic Advisers, also participated in the Moskowitz Lecture Series this year.

The Charles C. Moskowitz Lectures were initiated at New York University in 1961. "The Defense Sector and the American Economy" was chosen as the overall theme of the lectures this year.

In view of the gratifying reception accorded to my speech, entitled "ABM: The Dynamics of a National Decision," I thought it would be useful to make it easily available to those of my colleagues who have shown a special interest in the ABM question, which continues to weigh so heavily before our Nation.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

ABM: THE DYNAMICS OF A NATIONAL DECISION

(Remarks of Senator JACOB K. JAVITS, at New York University, November 6, 1967)

On September 18, in a truly remarkable speech, Defense Secretary McNamara announced the Administration's decision to deploy a "thin" anti-ballistic missile defense against a potential threat from Communist China. This decision was one of the most complex, and portentous in its ramifications, of any that has been made in the past decade. The decision has implications which impinge, directly or indirectly, on every important aspect of our national life. A study of the dynamics of this decision is very instructive.

First I wish to comment on what I consider to be the inadequacy of the national debate which preceded the ABM decision. Ostensibly, one might attribute the inadequacies of the debate to the complexity of the technical considerations involved in an antiballistic missile system. There is no doubt that most Americans are intimidated by the language of science and technology.

However, as I followed, and later reviewed the ABM debate, I was struck by the fact that there was relatively little dispute over purely technical questions. By contrast, however, there was very earnest dispute over a wide spectrum of the most fundamental policy considerations which were involved in the ABM decision.

While pressures were exerted from many quarters during the ABM debate, it is clear that the decision-making process was throughout dominated by Secretary McNamara. Indeed, we owe him a debt of national gratitude for having forced a shift in the focus of the ABM debate away from essentially technical considerations and for having forcefully brought to public attention the fundamental policy considerations involved in the ABM decision.

There were pressures from many quarters during the ABM debate. One might assume that many of these pressures came from what is called the "military-industrial complex." After all, there are, potentially at least, tens of billions of dollars worth of contracts involved in building an ABM system. However, I have not discovered any discernible efforts by the great defense contracting corporations to influence the ABM debate or its outcome. This is not always true of national debates and decisions on defense questions, as you all know.

Having made that statement, I wish to modify it in one respect. It was President Eisenhower, in his farewell address to the nation, who brought to public attention the dangers posed by the "military-industrial complex". As President Eisenhower used the term, he was talking about something much more expansive and ramified than the narrow world of defense-contractor lobbyists who abound in Washington and who have come to be thought of in the public mind as being the "military-industrial complex".

In the wider sense that President Eisenhower used the phrase—to include entrenched elements in the military establishment itself and in its vast dependent intellectual establishment sustained by government contract—the "military-industrial complex" was active in the ABM debate and did seek manfully to determine its outcome. There is nothing improper about this. In fact, that is just the plain duty of the Joint Chiefs of Staff.

I spoke earlier of the technical complexity of an ABM system, and of how this tends to inhibit participation in debate by those who do not have a technical background. I think that this is a very real danger.

In his farewell address President Eisenhower also warned of the ". . . danger that public policy could itself become the captive of a scientific-technological elite." Largely because of Secretary McNamara's alertness and zeal, this did not happen in the present case of the ABM decision. The danger was definitely present, however and will be present again in future decisions on the ABM system. I will give you a very graphic example.

Dr. Harold M. Agnew, head of the Weapons Division of the AEC's Los Alamos Scientific Laboratory, made a speech to the Air Force Association on March 16, in San Francisco. Dr. Agnew's speech is an open attack on Secretary McNamara's general conduct and specifically of his views on the ABM question. It is a pure example of the expression of the view of the "scientific-technological elite" which President Eisenhower warned us of, and I commend to you a study of its full text. For illustrative purposes, I will just quote one sentence. After taking Secretary McNamara to task for his entire strategic philosophy and his opposition to a Soviet-oriented ABM system, Dr. Agnew says:

"I believe the lack of true understanding of science and technology of many of our policy makers, and what I consider the substitution of wishful thinking, is very dangerous, and could become more and more serious."

In my judgment, Dr. Agnew's knowledge of science and technology is most useful and essential to us. The problem is the tendency of this elite to get out of their field, to think they have equal expertise and authority on broad matters of public policy. And most troublesome is their recurring efforts to have basic policy questions decided on the basis of technological factors where they are expert but which are inadequate criteria for judging basic questions of national goals and values.

I would like to turn now to some of the differences between Secretary McNamara and the Joint Chiefs of Staff which emerged in the course of the ABM debate. The Joint Chiefs understood their role in this debate. But a close study of the record shows that some fundamental differences exist between the Secretary of Defense and the Joint Chiefs of Staff with regard to our relationship to the Soviet Union. Secretary McNamare believes that it is both possible and essential to achieve an understanding with the Soviets to stabilize the "balance of terror" which keeps the peace. He is passionately concerned over avoiding a new round of the arms race, and believes that accurate communication of intention is a crucial factor. I quote a brief passage of his San Francisco speech as example:

"They could not read our intentions with any greater accuracy than we could read theirs. And thus the result has been that we have both built up our forces to a point that far exceeds a credible second-strike capability against the forces we each started with."

The alternative which he poses to an understanding on strategic weapons is "both the Soviets and ourselves would be forced to continue on a foolish and reckless course . . . The time has come for us both to realize that, and to act reasonably. It is clearly in our mutual interest to do so."

The approach of the Joint Chiefs is quite different. Their view, as reflected in General Wheeler's statement to Congress, is based on the traditional concept of an adversary relationship with the Soviet Union and contrasts sharply with the innovative thinking of McNamara. An illustrative example is the following quote from General Wheeler's statement:

"We do not pretend to be able to predict with certainty just how the Soviets will react. We do know from experience the high price they must pay to overcome a deployed U.S. ABM system."

The record also shows that the civilian Defense Secretary and the uniformed Joint Chiefs have very different assessments of the diplomatic leverage provided by nuclear weapons. Secretary McNamara says:

"Unlike any other era in military history, today a substantial numerical superiority of weapons does not effectively translate into political control, or diplomatic leverage."

General Wheeler has a quite different view:

". . . at the time of Cuba, the strategic nuclear balance was such that the Soviets did not have an exploitable capability, because of our vastly superior nuclear strength. And to bring this forward into the present context, it's also the view of the Joint Chiefs that regardless of anyone's views about the situation in Vietnam, we think it quite clear that we would have had even more hesitation in deploying our forces there, had the strategic nuclear balance not been in our favor."

I think it would be instructive at this point to juxtapose another set of quotes. The question at issue involves judgments as to the allocation of resources. While the initial cost of our "thin" ABM defense will be around $4 billion, it is common knowledge that further refinements could lead to expenditures of at least $40 to $50 billion for a "heavy" defense system. Secretary McNamara's view is succinct:

"I know of nothing we could do today that would waste more of our resources or add more to our risks."

By way of contrast, the Chairman of the House Armed Services Committee expressed the following view:

"We are an affluent nation . . . we are now right at $750 billion GNP; and responsible people tell us it is headed for a trillion. So we can afford it. Why not have the two of them, and keep the Soviets off balance . . .?"

The most shockingly neglected aspect of the ABM debate has been what is ultimately the basic issue—the allocation of national resources. The magitude of potential costs is very great—$50 billion, and a lot more if a civilian fall-out shelter program were added on. Expenditures of this order of mag-

nitude could have profound warping effects on the total pattern of our national life. It is essential that public men, both in and out of government, join the continuing debate over the need and justification for an anti-ballistic missile defense. Now is the time when we need the views and judgments of our nation's best minds. Later, when we might be irrevocably tied to the ABM roller coaster, their post-mortem dissent will be of little value.

If there is any lesson we should have learned from our Vietnam experience it is the danger of not taking a long look down the road ahead before we commit ourselves to something. In Vietnam, initial small expenditures and periodic increments that were modest at first have now snowballed into a $30 billion per year affair. We find ourselves faced with a high cost in human life and misery and inflationary threats, while our urgent urban needs are not adequately met. The lessons of Vietnam in this regard are applicable to the ABM debate and I repeat my earnest exhortation that this whole matter be given the closest scrutiny *now* by the men whose views are respected in all areas of national endeavor.

Decisions regarding national security are perhaps the most difficult of all decisions. We live in a very complicated and dangerous world. An atmosphere of insecurity prevails everywhere. But there is no such thing as absolute security, and security certainly is not solely or even primarily a question of weapons systems. Maximum security is derived from the optimum balance and quality of national life. Secretary McNamara had some pertinent things to say in this regard in a speech he gave in Montreal in May of 1966:

"A nation can reach the point at which it does not buy more security for itself simply by buying more military hardware—we are at that point. The decisive factor for a powerful nation—already adequately armed—is the character of its relationships with the world."

At this point I cannot resist quoting the opposing view of Dr. Agnew, the Los Alamos Weapons Division chief:

"I would argue that there are few nations whom we should worry about as far as world opinion is concerned. These are only the nations with whom we are engaged in competition and who may have the military and economic strength to materially affect what we are doing."

I think the important point is that all of us have a real competence and a real contribution to make when the broad questions of national security are involved. The weapons cultists notwithstanding, the quality of our schools, the physical and mental health of our population, the social justice barometers of our big cities—are all factors which determine our national security.

While most of the ABM debate has been concerned with our relations with the Soviet Union, the ABM system finally decided on is oriented against Communist China. In his San Francisco speech McNamara said there were "marginal grounds" for concluding that the deployment of a China-oriented system would be "prudent".

This is neither a very enthusiastic nor a very convincing line of argument and the suspicion persists that the decision to proceed with a "thin" ABM deployment was attributable in fact to other considerations than Peking's nuclear capability and potential. James Reston of the New York Times has dubbed the ABM "the anti-Republican Missile'. I will not deny that there has been a partisan dimension to this entire issue with both Democrats and Republicans maneuvering for party advantage in a pre-election year, and Mr. Reston may well be correct when he accuses the President of ". . . not dealing with the problems before him but with the politics of the problems" in making his ABM decision. In any event, it is most unfortunate that we have not heard the President's views of the very fundamental subtsantive considerations involved in the ABM controversy.

However, this line of inquiry does not lead us very far. Let us turn instead to the rationale which is now being expounded with regard to Communist China as a reason why we need a $5 billion "thin" ABM defense.

In a major follow-up speech on October 6, Assistant Defense Secretary Warnke addressed himself to this and other issues not gone into by Secretary McNamara in his earlier San Francisco speech.

Among other things, Mr. Warnke argues that our anti-China ABM will reinforce President Johnson's 1963 pledge to protect non-nuclear states against Chinese nuclear blackmail and thus make it easier for Asian nations to sign the Non-Proliferation Treaty. Mr. Warnke's reasoning is ingenious but dubious in its accuracy. For instance, on October 1 an Indian Foreign Ministry publication had the folowing to say:

"The Government of India's decision not to sign the Nuclear Non-Proliferation Treaty stands intact in spite of big power pressure . . . The question of guarantees by the United States and the Soviet Union either jointly or individually has been dismissed as unworkable."

There are several passages in Mr. Warnke's remarks concerning Communist China which merit close attention because of their wider implications for U.S. policy. Parenthetically, it is most unfortunate that Secretary Rusk, who has recently conjured up the frightening image of "a billion Chinese on the Mainland, armed with nuclear weapons", has not given us his views of Mr. Warnke's assessment which follows:

"We see no reason to conclude that the Chinese are any less cautious than the rulers of other nations that have nuclear weapons . . . Indeed the Chinese have shown a disposition to act cautiously, and to avoid any military clash with the United States that could lead to nuclear war.

Following on the heels of this most interesting assessment Peking's policy-orientation, Mr. Warnke goes on to state:

"In deploying this system, we seek to emphasize the present unique disparity in strategic nuclear capability between the U.S. and China and to extend well into the future the credibility of our option for a nuclear response."

He also affirms that our ABM deployment will end ". . . any uncertainty as to whether or not the United States would act to prevent the Chinese from gaining any political or military advantage from their nuclear forces."

Implicit in Mr. Warnke's exposition of policy is an apparent assumption that the Soviet Union would not honor its defense treaty commitments to Peking in the event of a U.S. nuclear strike at the Mainland. I think this point requires a definite clarification and I intend to seek one from both Secretary Rusk and Secretary McNamara.

Administration spokesmen have been largely silent on the impact of the ABM decision on our relations with our NATO allies, and there is evidence that this very important aspect of the decision was not given sufficient consideration.

According to press reports, our ABM decision has been received with skepticism and disfavor in most NATO capitals. Two of our closest Allies, Canada, and the U.K. have publicly deplored the McNamara announcement. At a minimum, NATO feathers were unnecessarily ruffled by a lack of consultation on an important issue, at a time when the whole Alliance is passing through an internal crisis of confidence. According to a Washington *Post* survey the only NATO capital that took heart from our ABM decision was Paris, and that for reasons which are not necessarily helpful to our national interests. The *Post* reports that the French are having a "field day" with the "disquiet caused by the American decision" and see it as "a new vindication for their policy of disengagement from the Atlantic Alliance."

It is not by intention tonight to offer dennitive answers to the many profound questions which have been raised in the course of this review of the dynamics of an important national decision. Rather, I have tried to suggest the scope and the implications of the issues which are involved. There are others too which I have not even sketched in this brief *tour d'horizon*. If it does accomplish anything, I think this review dramatises the inadequacy of the national debate of the ramifications of opting for an anti-ballistic missile defense. It is clear, however, that only the initial round of debate has been concluded. The proponents of a full-blown "heavy" ABM defense against the Soviet Union have been denied victory on this round by Secretary McNamara's adamancy and by his compromise action in agreeing to a thin anti-Chinese ABM deployment. But we are now experiencing but a brief hiatus before the battle is renewed.

It is imperative therefore that the full weight of all elements and all points of view in our society be mobilized to participate proportionately in the next round of debate. It is only in this way that we can be assured of a truly national decision which reflects the true balance of our national interests.

The basic issues have now surfaced. They need further clarification and refinement, and much much more searching exploration. As one Senator, I shall do my utmost to assure that we have a real national debate before we move any further down the road to a Ruck Rogers world of missiles and counter missiles where fatalities are counted in the "megadeaths". Concurrently, I shall do my utmost to insure that the proper issues are debated and that decisions are not camouflaged by illustory technical jargon intended to intimidate or exclude the layman from the decision making process. It is in this aspect of the challenge that our universities can play their most vital role. I entreat you to join in this defense of the national interest.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If there be no further morning business, morning business is closed.

ELEMENTARY AND SECONDARY EDUCATION AMENDMENTS ACT OF 1967

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (H.R. 7819) to strengthen and improve programs of assistance for elementary and secondary education by extending authority for allocation of funds to be used for education of Indian children and children in overseas dependents schools of the Department of Defense, by extending and amending the National Teacher Corps program, by providing assistance for comprehensive educational planning, and by improving programs of education for the handicapped; to improve authority for assistance in schools in federally impacted areas and areas suffering a major disaster; and for other purposes.

. The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The Senate resumed the consideration of the bill.

CALL OF THE ROLL

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk called the roll, and the following Senators answered to their names:

[No. 372 Leg.]

Aiken	Gruening	Mondale
Anderson	Hansen	Monroney
Baker	Harris	Montoya
Bartlett	Hart	Morse
Bayh	Hartke	Mundt
Bennett	Hatfield	Murphy
Bible	Hayden	Muskie
Boggs	Hickenlooper	Nelson
Brewster	Hill	Pastore
Brooke	Holland	Pearson
Burdick	Hruska	Pell
Byrd, Va.	Jackson	Percy
Byrd, W. Va.	Javits	Proxmire
Cannon	Jordan, N.C.	Randolph
Carlson	Kennedy, Mass.	Smathers
Case	Kennedy, N.Y.	Smith
Church	Kuchel	Spong
Clark	Lausche	Stennis
Cotton	Long, Mo.	Symington
Curtis	Long, La.	Talmadge
Dirksen	Magnuson	Thurmond
Dominick	Mansfield	Tower
Eastland	McClellan	Tydings
Ervin	McGee	Williams, N.J.
Fannin	McGovern	Williams, Del.
Fong	McIntyre	Yarborough
Gore	Metcalf	Young, N. Dak.
Griffin	Miller	Young, Ohio

Mr. BYRD of West Virginia. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Hawaii [Mr. INOUYE], the Senator from Utah [Mr. MOSS], and the Senator from Connecticut [Mr. RIBICOFF] are absent on official business.

I also announce that the Senator from Connecticut [Mr. DODD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Georgia [Mr. RUSSELL], and the Senator from Alabama [Mr. SPARKMAN] are necessarily absent.

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Kentucky [Mr. COOPER], and the Senator from Idaho [Mr. JORDAN] are absent on official business.

The Senator from Vermont [Mr. PROUTY] is absent because of illness.

The Senator from Pennsylvania [Mr. SCOTT] is necessarily absent.

The Senator from Kentucky [Mr. MORTON] is absent to attend the funeral of a friend.

The PRESIDING OFFICER. A quorum is present.

COMMITTEE MEETING DURING SENATE SESSION

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Subcommittee on Public Buildings and Grounds of the Committee on Public Works be authorized to meet during the session of the Senate today.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR KUCHEL ADDRESSES CALTECH YMCA

Mr. KUCHEL. Mr. President, I had the honor to speak on the campus of the California Institute of Technology, at the invitation of the Caltech Young Men's Christian Association, last November 30. I ask unanimous consent that a portion of my comments be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

FACING THE GHETTO: BRINKMANSHIP OR COMMITMENT?

(Partial text of address by U.S. Senator THOMAS H. KUCHEL, at the invitation of the Caltech Young Men's Christian Association, Beckman Auditorium, California Institute of Technology, Pasadena, Calif., November 30, 1967)

Ralph Waldo Emerson, poet-essayist of the century past, on one occasion observed: "It needs a whole society to give the symmetry we seek." In facing the sprawling, spreading, urgent plight of the American city, especially the isolated, racial ghetto with its exaggeration of every city problem, we do indeed need a whole society, if our unique form of society is to survive and flourish, and fulfill the symmetrical American dream.

Long before Emerson, a Greek of the 6th Century B.C., Alcaeus, said of Athens: "Not houses finely roofed or the stones of walls well-builded, nay nor canals and dockyards, make the city, but men able to use their opportunity."

Today we look at the city and the many men who use their opportunity and use it well. Focus for a moment on what we have come to call the American ghetto. It sits in the core of the city, and it contains many men who do not use opportunity because, in large measure, they enjoy little opportunity to use. It is this ghetto and its people which we seek to explore this evening. We will go in, and try to determine where we are. We will try to find a way out, and decide where we are going.

Much has been written about brinkmanship in foreign affairs over the years: How John Foster Dulles raised it to a fine art confronting the Soviet Union in the middle and late 1950's under President Eisenhower, facing down the cold war enemy at the very brink of possible conflict; how the late President Kennedy practiced it at the Cuban missile crisis.

I would like to suggest tonight that we are witnessing brinkmanship in our Nation's cities. We are on the verge of a broad-fronted commitment against the blight and poverty of the ghetto. We need now to take that one step in many sectors which will involve all of us: government, those in the business community, you theoreticians and activists in colleges and universities, men and women from organized labor, those outside the ghetto, and perhaps most important, those inside the ghetto themselves. The step should be taken with a sense of common purpose.

We should commit ourselves because there is a human need for us to do so. No other reason should be necessary. But for those who are particularly hard to convince, let me point out that there is one faction in today's ghetto which is practicing a brinkmanship of its own. I refer, of course, to the incendiaries who have set people and property aflame, with both words and deeds, over the past three years. They threaten that "The Fire Next Time" will engulf the entire United States. *Newsweek* talks of an "increasing appetite for confrontation," as it pours its resources into searching out a way to help the ghetto and to avoid such confrontation. An Oxford-educated Negro from Watts asks Walter Lippmann on Public Broadcasting Laboratory if perhaps a "confrontation" isn't the way to educate America to the anguish of the ghetto. Lippmann said, "No," incidentally, warning of the "backlash you will reap."

I say there is not only no need for this armed confrontation, but that it would do both the ghetto, and the America it should belong to, irrevocable harm. I believe social balance and a way out—for the ghetto resident and for the alienated taxpayer or backlasher—can be and should be provided as an alternative to a massive confrontation.

Indeed, I think our ghetto moves should be made very much within the framework of the laws of our time and the order of our society. Uprisings and riots can be put down by the agencies of law enforcement, and without the vigilantes who seem to yearn to repress their fellow citizens. But any massive revolution, and the inevitable, repressive crush of response, would also destroy our present society and would set back, by decades, what racial and economic progress have actually come in recent years.

Promises have been made by one generation. I believe that generation should keep them. But much of the energy and most of the meaningful work to translate the promises into effective action, must come from the younger, emerging generation of thinkers and doers. Already, the front-line troops of the war on poverty are young people who have made a commitment with themselves. When I read that a VISTA volunteer contemplates sleeping in a New England jail because the United States Congress delays appropriating the interim funds to keep her poverty program and her living allowance going while we debate details, I am not very proud. On the other hand, when I see a vast segment of our young population withdrawing from the daily struggle with the world and becoming social iconoclasts, the supreme flowery isolationists of urban America, I am not very encouraged either. This is a time for commitment, not holding action or retreat, and we must appeal to youth for an alliance of action and purpose with his neighbor. Similarly, any generation must back youth with financial resources and good faith.

Consider the age of the average inhabitant among the 30,000 in Watts. I am told a recently completed survey put the age at 14 years. That single fact is distressing in its implications of large family units in poverty. But it is hopeful in terms of having time on the side of rehabilitation. More than anything else, that very young average age is a supreme argument for youth outside the ghetto to begin learning what the ghetto is all about. It is the problem of tomorrow's citizen far more than it is today's.

That is why I am particularly pleased to try to make common cause with a university audience tonight. I am convinced there is an untapped reservoir of youth still to become involved, which can match the many who have already recognized the task to be done in the cities of the United States.

Let us explore for a moment what I call the "mathematics of concern." Hopefully, some figures can demonstrate to the technology-oriented why it is they who should see the problem of the disadvantaged in the central city as something which at least in part involves them, like it or not.

One of the premises here is that the problem we face in the ghetto, as a part of the central city, is primarily the problem of the minority population, and, beyond that, chiefly the problem of America's Negroes. There is, to be sure, a sizeable Latin American ghetto in many large cities, usually Mexican or Puerto Rican in origin. That presence is getting special attention, in such legislation as the Bilingual Education Act, which I am proud to say I co-sponsored, to ease the transition from native Spanish to English language education.